

U.S. DEPARTMENT OF ENERGY
**Office of Electricity Delivery and
Energy Reliability**



ENERGY ASSURANCE DAILY

September 13, 2005

Highlights/Major Developments

Update -- Large Portion of Los Angeles, CA Loses Power – Millions Affected

Roughly 2 million people were affected by the resultant power surge and outages, which were reported from downtown west to the Pacific Ocean coast and north into the San Fernando Valley. The problem began at 12:37 p.m. when several workers installing an automated transmission system accidentally connected the wrong wires. Two men were injured at an oil refinery when smoke backed up into the facility as it burned off excess material after the power went out, fire officials said. Much of the power was restored just before 2 p.m.

http://www.insidebayarea.com/ci_3025100?rss

Update: Hurricane Katrina

**OFFICE OF ELECTRICITY DELIVERY AND ENERGY RELIABILITY (OE)
U.S. DEPARTMENT OF ENERGY
Hurricane Katrina Situation Report #34
September 13, 2005 (3:00 PM EDT)**

HIGHLIGHTS

Currently, 403,672 customers remain without electric power in Louisiana and Mississippi due to Hurricane Katrina. This is down by about 2.3 million from a peak of 2.7 million customers that were without power after Hurricane Katrina struck the region.

Entergy reports that transmission line work to the LOOP's Fourchon facility is complete. Presuming that there are no difficulties encountered, this will restore additional offshore crude oil will be available to refineries.

NOAA reported at 11:00AM 9/13 that tropical storm Ophelia is now located about 130 miles south of Wilmington N.C. and about 120 miles east-southeast of Charleston S.C. Ophelia is moving at 3 MPH north-northwestward towards the southeastern U.S. Maximum sustained winds are near 70 miles per hour with higher gusts. Tropical storm force winds extend outward 160 miles from the center with the strongest winds located some 50-60 miles from the center. <http://www.nhc.noaa.gov/>

The Brunswick nuclear reactor, on the southern coast of NC, is currently under a hurricane watch due to Hurricane Ophelia. All systems have been checked and are operating properly. If there is a hurricane warning, the unit must be in hot shutdown within two hours of winds reaching 73 mph.

PETROLEUM AND GAS INFORMATION

According to MMS reports on 9/13, 10.62 percent of 819 manned platforms and 1.49 percent of 134 rigs remain evacuated in the Gulf of Mexico (GOM). Today's shut-in oil production is 846,720 BOPD. The shut-in oil production is equivalent to 56.45 percent of the normal daily oil production in the GOM, which is currently approximately 1.5 million BOPD. Shut-in gas production is 3.72 BCFPD. This shut-in gas production is equivalent to 37.2 percent of the normal daily gas production in the GOM, which is currently approximately 10 BCFPD.

▪ Improvement in GOM Shut-in Oil and Gas 8/30/05 – 9/13/05

Date	Percent of GOM Oil Shut-in	Percent of GOM Gas Shut-in
August 30	95.20	87.99
August 31	91.45	83.46
September 1	90.43	78.66
September 2	88.53	72.48
September 3	78.98	57.80
September 4	No data reported	No data reported
September 5	69.57	54.13
September 6	58.02	41.06
September 7	57.37	40.36
September 8	60.12 *	40.20
September 9	59.88	38.29
September 10	59.84	38.21
September 11	No data reported	No data reported
September 12	57.38	37.84
September 13	56.45	37.20

*Oil Production Shut-ins continue to decline, despite the apparent rise in the figures released by MMS. According to MMS, this rise in the statistics occurred today because a company just reported a significant amount of shut-in oil production today that has been shut-in since the hurricane hit, but was not reported as such due to communications problems.

The repair or replacement of flooded substations will delay restoration of transmission service to several refineries downstream of New Orleans. Inspection of customer facilities is required before service can be restored.

The State University of New York Maritime College reported that its training ship, the 565-foot Empire State VI, will be utilized to berth up to 700 ConocoPhillips employees and contract workers as they begin repairs on strategic infrastructure and facilities at ConocoPhillips' oil refinery in Belle Chasse, Louisiana. The ship should arrive in New Orleans on September 16th.

The tables below show no change in the five shutdown refineries and company confirmation of status of two refineries with reduced runs.

Table 1. Shutdown Refineries

Refinery	Location	State	Capacity (bbl/day)	Current Status
ConocoPhillips*	Belle Chasse	LA	247,000	No power - major damage
ExxonMobil	Chalmette	LA	187,200	No power - water damage
Murphy	Meraux	LA	120,000	No power – water is starting to recede, currently making assessment of damage, leaking crude oil tank repaired
Shell Chemical	St Rose	LA	55,000	Awaiting Norco restart, which should be soon
ChevronTexaco*	Pascagoula	MS	325,000	Damage unknown – assessment being made

Table 2. Refineries with Reduced Runs

Refinery	Location	State	Capacity (bbl/day)	Current Status
Motiva (Shell)	Convent	LA	235,000	Restarted – company confirmed that refinery should reach full production this week.
Motiva (Shell)	Norco	LA	226,500	Restarted – operating at 95%

ELECTRICITY INFORMATION**STATE OUTAGE DATA**

Utility	Customers w/o Power	% Customers w/o Power from Katrina
Louisiana*	319,345	29%
Mississippi	84,327	6%

*Louisiana data is reported by the Louisiana Public Service Commission and their percentage outage numbers are used in calculating the percentage of total outage.

STATE REPORTS**Mississippi and Louisiana**

In Louisiana 319,345 customers remain without power, as reported by the Louisiana Public Service Commission (LAPSC) (9:00 AM 9/13/05 latest report).

Significant Louisiana Outage Data by Parish (9:00AM 9/13/05)

UTILITY	OUTAGES	% customers w/o power
Jefferson	50,528	24%
Lafourche	1,232	2%
Orleans	173,605	84%
Plaquemines	5,773	62%
St. Bernard	28,308	99%
St. Tammany	44,038	41%
Tangipahoa	1,161	2%
Washington	14,312	54%

*Louisiana data and percentages are reported by the Louisiana Public Service Commission.
Only Parishes with outages of more than 1,000 customers are shown

Louisiana Outage Data by Utility with Significant Outages (9:00AM 9/13/05)

UTILITY	OUTAGES	% customers w/o power
Entergy Louisiana	89,604	19%
Entergy New Orleans	173,605	84%
Wash-St. Tammany	26,019	57%
CLECO	29,702	29%
Total for state shown includes companies with low percentage outages not shown in the Table	319,345	29%

*Louisiana data and percentages are reported by the Louisiana Public Service Commission.

Mississippi had 84,329 customers without power, which represents 6 percent of customers in the state, including 25,451 Mississippi Power customers and 58,878 customers of the Electric Power Associations of Mississippi (EPAOFMS) based on a report from the Mississippi EOC 9/12/05. Mississippi Power, Entergy and TVA have completed restoration activities to all customers able to receive power. Given the manner in which utilities count "customers", there have been some seeming data anomalies during the restoration process. A building with one power meter is generally counted as one customer by utilities. If an apartment building is destroyed, for example, and several mobile units are established to house the former inhabitants, each with a separate meter, the result is an actual increased number in the total number of customers reported by the utility servicing them.

Entergy reports that the repair or replacement of flooded substations will delay restoration of transmission service to several key loads, including refineries downstream of New Orleans, but customers have extensive damage as well. In flooded areas the safety of customer's facilities must be validated by the applicable local authorities before service can be restored. The repair and inspection of customer facilities may constrain restoration in some areas.

Entergy reports that in flooded section of New Orleans restoration will take extended time - months - to restore. Six of their substations within the city have been reenergized and some distribution has been restored on a very limited basis.

Ten of Entergy's seventeen generating units in the New Orleans area that are fueled by natural gas and/or oil have been returned to service. Several of the units that are currently offline operate only a few days out of the year during peak periods.

Additional Information

Hurricane Katrina Evacuation and Production Shut-in Statistics Report as of Tuesday, September 13, 2005

Next Report will be issued on Wednesday, September 14, 2005 at 1:00 PM CDT

For information concerning the storm click on www.mms.gov

This survey reflects 54 companies' reports as of 11:30 a.m. Central Daily Time.

Districts	Lake Jackson	Lake Charles	Lafayette	Houma	New Orleans	Total
Platforms Evacuated	0	0	0	3	84	87
Rigs Evacuated	0	0	0	0	2	2
Oil, BOPD Shut-in	0	620	1,122	66,066	778,912	846,720
Gas, MMCF/D Shut-In	0	22.00	3.00	523.01	3,172.13	3,720.15

<http://www.mms.gov/ooc/press/2005/press0913.htm> These cumulative numbers reflect updated production numbers from all previous reports. The reports only represent input received by 11:30 a.m. CDT. If a company does not report by 11:30 a.m. it is not included in the special information release, but it is included in the cumulative shut-in production. This may result in an apparent increase in the cumulative report amount.

Katrina's Damage to Production Worse than Ivan's

Hurricane Katrina caused far more damage to the offshore Gulf of Mexico than last year's Hurricane Ivan, and it will take many months to recover. According to MMS statistics much more of the offshore production infrastructure, above the surface, was damaged and destroyed by Katrina. Damage assessment of the pipelines and underwater infrastructure is still on going.

<http://www.platts.com/Oil/News/6082464.xml?S=n>
www.mms.gov

Shell Reopening Gasoline Stations in New Orleans

100 percent of Shell-branded stations in Baton Rouge are back up and running, and 19 percent of locations in New Orleans have reopened. Local authorities have not granted access to the majority of Shell-branded sites in New Orleans due to safety concerns, so we have not been able to fully assess the condition of our network.

http://www.shell.com/home/Framework?siteId=us-en&FC2=/us-en/html/iwgen/news_and_library/storm_updates/katrina/zzz_lhn.html&FC3=/us-en/html/iwgen/news_and_library/storm_updates/katrina/storm_update_katrina120905.html

More New Orleans Pumps Coming On-line

16 of the city's 75 pumps representing 20 percent of the pumping capacity are now operating and more coming on line daily. The Army Corps of Engineers announced that the primary flooded areas would be dry by October 2. More heavily flooded areas of New Orleans East should be dry by October 8, and Plaquemines Parish by October 18, some 40 days ahead of schedule.

<http://www.neworleanscvb.com/static/index.cfm/action/group/contentID/256/sectionID/1/subsectionID/0/>

New Orleans Port and Airport Returning to Normal Operations

The New Orleans International Airport reopened to commercial traffic this morning, September 13. The Port of New Orleans expects to reopen to normal cargo traffic on September 14.

<http://www.neworleanscvb.com/static/index.cfm/action/group/contentID/256/sectionID/1/subsectionID/0/>

Entergy Brings on Four More Substations in New Orleans East

Yesterday in New Orleans East, four additional substations were brought online: Michoud, NASA, Gentilly, and Bayou Sauvage.

<http://www.entergy.com/corp/default3.asp>

Hurricane Pollution Recovery Efforts Continue in New Orleans

For latest details (updated September 12 pm) on amount of oil spilled by company and efforts to clean up pollution see: <http://www.uscgstormwatch.com/external/?cid=1008&fuseaction=external.viewDocument&documentID=83185>

Update on Status of Waterways and Ports Affected by Katrina as of 1400 September 12

<http://www.uscgstormwatch.com/external/?cid=1008&fuseaction=external.viewDocument&documentID=83248>

Electricity

See Los Angeles Power Outage Story under Highlights / Major Developments. For information on the impact on oil refining, see Petroleum.

Need to Repair Pump Shuts Exelon's Unit 2 at Briarwood

Exelon Corp shut the 1,232 MW unit at its Briarwood nuclear generating station in Illinois to conduct repairs on a leaking pump seal.

Bloomberg 12:09, September 13, 2005.

Ontario Ends Voltage Reduction

The Independent Electricity System Operator of Ontario ended a 5 percent voltage reduction that had gone into effect on the afternoon of September 12 because of a problem with a transmission line.

Reuters 12:02, September 13, 2005.

Transalta Corp's Wabamun Unit 4r at Full Capacity

Trans Alta announced on September 12 that the 279 MW unit 4 at its Wabamun power plant in Alberta resumed full operations following an outage resulting from a train derailment that resulted in an oil spill into a nearby lake. The facility had been shut down since August 3.

Reuters September 13, 2005.

SCE's 290 MW Big Creek Hydro Plant in California Shut September 12

Reuters 14:44, September 13, 2005.

OPG's 215 MW Coal-fired Atikokan Plant in Ontario Shut September 12

Reuters 14:17, September 13, 2005.

Exelon's 1,185 MW Nuclear Generating Station in Illinois Shut September 12

Reuters 14:17, September 13, 2005.

Petroleum

OPEC Considers Raising Production 500,000 B/D

The final decision about raising the output ceiling will be made next week.

<http://www.platts.com/Oil/News/8088518.xml?p=Oil/News&S=n>

ConocoPhillips Restarts California Refinery Following Blackout

ConocoPhillips has restarted its 139,000 b/d Wilmington refinery following a wide-scale blackout in the Los Angeles area on September 12.

Reuters 13:10, September 13, 2005.

Valero Restarting its Wilmington, California Refinery Following Blackout

Valero announced that it is restarting its 78,000b/d Wilmington refinery following the wide-scale blackout in the Los Angeles area on September 12. Valero anticipated that production will be able to run at approximately 40,000 b/d initially but the timing of a return to full production is unclear because of problems with a coking unit.

Reuters 13:29, September 13, 2005.

Power Failure Shuts Some Units at Shell's Los Angeles Refinery

Some units at Shell's 99,000 b/d refinery in the Los Angeles area went off-line on as Los Angeles experienced a wide-scale power failure on the afternoon of September 12. Power was restored at the refinery within approximately 30 minutes.

Bloomberg 19:07, September 12.

Shell's Japanese Refinery to Send Gasoline to U.S.

Shell's Japanese Refining unit Showa Shell Sekiyu K.K., will send approximately 150,000 bbls of gasoline to the U.S. to help ease shortages brought about by hurricane Katrina.

Bloomberg 4:09, September 13, 2005.

Shortage of Oil Rigs and Trained Workers Slowing Offshore Development in Kuwait and Qatar

A shortage of drilling rigs, exacerbated by the scarcity of trained workers and the damage to existing rigs from hurricane Katrina, is delaying drilling by Kuwait and Qatar. Further delays

Bloomberg 13:10, September 13, 2005.

ExxonMobil's Baton Rouge Refinery Has All the SPR Oil It Needs

The manager of the 494,000 b/d ExxonMobil refinery in Baton Rouge, Louisiana announced on September 13 that the refinery has no need to borrow any additional crude oil from the Strategic Petroleum Reserve. The company secured a loan of 6 million bbls to make up for the interruption of supplies because of hurricane Katrina.

Reuters 13:18, September 13, 2005.

California Utility Adding New Pipeline to Guard Against Levee Failure

Pacific Gas & Electric Co. is starting work on a new \$30 million major natural gas pipeline in the northern California to keep supplies flowing if a levee failure ever cripples its existing line. If the line were damaged, the utility said, many customers in the Sacramento and San Francisco Bay areas could lose natural gas service.

http://www.bizjournals.com/sanfrancisco/stories/2005/09/12/daily6.html?from_rss=1

For additional information on petroleum, see Highlights/Major Developments

Natural Gas

For information on natural gas, see Highlights/Major Developments

Other News

Nothing to report.

Energy Prices

	Latest (09/13/05)	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate US \$/Barrel	63.18	65.83	44.62
NATURAL GAS Henry Hub \$/Million Btu	10.71	11.56	5.15

Source: Reuters

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated on Wednesdays

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 1:00pm (Eastern time) on Wednesdays

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 pm (Eastern time) on Thursdays

ENSEC threat awareness blog site from Energy Assurance

<http://ensec.blogspot.com>